to know whether the Government has taken any action in this regard; if it has, by what time the permission would be granted to the State Government in this regard.

SHRI SHANTARAM POTDUKHE: Sir, the State Governments get grants from the Central Government as per the recommendations of the 9th Finance Commission. Planning Commission also gives them grant. But this proposal is not with our Ministry. If it comes to us we will take the necessary action. At present the proposal is not with us.

SHRI A. CHARLES: Kerala is a State which earns the maximum foreign exchange. Unfortunately, for the remarkable and commendable progress that we have made, Kerala Government is deprived of the assistance from the Centre in many areas whereas other States are eligible for it. I do not say it is discrimination but because of our achievements we do not get any assistance from the Centre.

May I know from the hon. Minister that in view of the fact that we earn maximum foreign exchange and we have made remarkable progress in all in the areas, to tide over the present difficulty whether the Government of India will release the additional special assistance of Rs. 100 crores to the State of Kerala so that we may continue to retain the achievements made so far?

SHRI SHANTARAM POTDUKHE: Sir, as the hon. Member has said, the foreign exchange is coming to Kerala and not to the Government of India. Secondly, Sir, as I said, the grants given to the states are as per the provisions of the 9th Finance Commission and the Planning Commission.

SHRI E. AHAMED: Sir, the hon. Minister has submitted before the House that the State Government of Kerala has approached the Centre for the medium-term loan and it was not agreed to. May I know from the hon. Minister whether the Government of Kerala only has approached the Central Government for such a loan or some other States have also requested for the medium-term loan and what was the response of the Centre to such requests, if any?

SHRI SHANTARAM POTDUKHE: Sir, the other Governments have also made such requests to the Central Government. Himachal Pradesh Government is there. Bihar Government is there. U.P. Government is there. Orissa Government is there. Assam Government is there. It is very difficult.

MR. SPEAKER: The response has been the same.

Audit of B.C.C.I.

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*635. SHRI N.K. BALIYAN:
SHRI MAHESH KANODIA:

Will the Minister of FINANCE be pleased to state:

(a) whether the Reserve Bank of India had ordered a special audit of the Bombay branch of erstwhile Bank of Credit and Commerce International;

(b) whether the audit has since been completed;

(c) if so, the main findings thereof; and

(d) if not, the time by which the audit is likely to be completed?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI DALBIR SINGH): (a) Yes, Sir.

(b) to (d). The special audit is to cover the accounts of Bombay branch of Bank of Credit and Commerce International (Overseas) Ltd. (BCCI) for the period 1.4.1983 to 5.7.1991. The auditors have submitted an interim report covering inward remittances for the period 1.4.1983 to 31.12.1985. Specific high value transactions mentioned in the report are being scrutinised by Reserve Bank of India to ascertain their compliance with relevant rules. Reserve Bank of India is following up with the auditors for submission of their final report.

[*Translation*]

SHRI N.K. BALIYAN: Mr. Speaker, Sir, I would like to know from the hon. Minister whether the Government is considering to hand over B.C.C.I's Bombay branch to State Bank of India or to any other nationalised Bank to run it? Reserve Bank of India had given its recommendations in this regard some days back. If it is not so, is the Government considering to close down this Bank?

SHRI DALBIR SINGH: Mr. Speaker, Sir, both these questions were raised in the last session. So far as the question of B.C.C.I. branch functioning in India is concerned R.B.I. has discussed the matter with the joint official liquidatores of Caymen Island. J.O.L. of Caymen Island have agreed to the proposal to recognise it as separate entity because this branch is located in India and it has its assets and liabilities also in India. However, we will have to seek approval from the Bombay High Court about the account holders. It is under process.

SHIR N.K. BALIYAN: Mr. Speaker, Sir, will the hon. Minister be pleased to state the amount of loss incurred by Indian Banks due to failure of B.C.C.I.

SHRI DALBIR SINGH: Mr. Speaker, Sir, at present nothing can be said about it because R.B.I. has ordered a special audit. Hon. Members had demanded it. When the Finance Minister made a statement regarding 7–8 Banks, the first statement was made for the period of 1.4.85 to 5.7.91. Later on, it was thought that the statement should cover the entire period since its establishment i.e. 1983. So, nothing can be said now about it.

[*English*]

SHRI P.G. NARAYANAN: Mr. Speaker, Sir, it is understood that the Governor of RBI stressed the need for re-opening BCCI. SBI's subsidiary was the most favoured option. Since the RBI would prefer that, BCCI in its new form concentrates on the service to the non-resident Indians. Keeping this in view, whether RBI has recommended to the Government that the State Bank of India should take over the Bombay Branch of BCCI and if so, whether the Government has accepted that recommendation.

[*Translation*]

SHRI DALBIR SINGH: Mr. Speaker, Sir, R.B.I. is keeping everything in its view. It is an interim report dated 27.2.92 and whenever this issue is be raised , it will be kept in mind.

SHRI RAM NAIK: Mr. Speaker, Sir, it is an interim report and moreover it covers only the inward remittances. I would like to know as to why the outward remittances are not being audited? Has a copy of the interim report been received by the Government? The Government should take into account the foreign exchange regulations and the import-export licence. Has the Union Government done anything or not in this regard? If not, will the Government do this work by getting a copy of that report?

SHRI DLABIR SINGH: I have myself mentioned that this interim report has been received on 27.2.92. Period of more than eight years is invalid and it is a very sensitive matter. So. R.B.I. is examining the report from each and every angle. That report is still lying with the Reserve Bank. The Government has not yet received it.

SHRI RAM NAIK: It covers only the inward remittances. Why is an investigation not being done about outward remittances and what will you do if it is not done?

SHRI DALBIR SINGH: Government may be able to do something only when it gets the report.

SHRI GEORGE FERNANCES: I would like to ask three or four questions about B.C.C.I. The hon. Minister may please answer these questions clearly. Are you in a position to make the repayment of the depositers, money or not on demand? Some rich people had taken loans from that Bank. Are they repaying the loans to the Bank or

not? If not, what steps are being taken by you to recover the loan amount. Thirdly, the Syndicate Bank and its connections with that Bank. I had raised this issue in this House earlier also that this Bank had worked in foreign countries to collect money on behalf of B.C.C.I. Will you return this money to the people and what steps have been taken by you to send this money to Syndicate Bank? What are you doing to solve the problems of Bank employees who are knocking the doors of the Minister and members of Parliament for their employment. American Senate and British house of Commons made an enquiry through their Parliamentary Committees. Have you conducted and enquiry to bring its misdeeds before the public.

SHRI DALBIR SINGH: I can claim that we have found nothing against the Indian branch of this Bank. An enquiry is being conducted by us and simultaneously a CBI enquiry is going on in this matter. The purchaser will be fully responsible for the money deposited in the Bank. Full attention will be paid on the Bank's interests and the matured policies. So far as the problems of employees are concerned, it is clear that the purchaser will have to seek Bombay High Court's permission.

SHRI SYED SHAHABUDDIN: I am not asking for the report of past eight years. I would like to know from the Government about the position of the assets and the liabilities of the Bank at the time of its closure.

[*English*]

Whether the assets exceed the liabilities payable on the date from which the operations have been closed.

[*Translation*]

SHRI DALBIR SINGH: I cannot say anything at present. It can be known only after the audit.

SHRI SYED SHAHABUDDIN: Audit has nothing to do with it. It will tell only whether the report is correct or not.

Construction of Border Roads

*636. SHRI RAJENDRA KUMAR SHARMA: Will the Minister of DEFENCE be pleased to state:

(a) whether the construction of border roads in the country is progressing according to the targets;

(b) if not, the reasons therefor; and

(c) the details of the roads proposed to be constructed during 1992–93?

[*English*]

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATRUAL GAS AND MINISTER OF STATE IN THE MINISTRY OF DEFENCE (SHRI S. KRISHAN KUMAR): (a) yes, Sir.

(b) Does not arise.

(c) As per the provisional works plan for the year 92–93 it is proposed to take up 715 Kms of formation cutting and 1113 Kms of surfacing works. Besides, permanent works costing Rs. 90.61 crores and Bridge construction works costing Rs. 21.00 crores are also proposed to be executed. The project-wise details are given in the statement attached.